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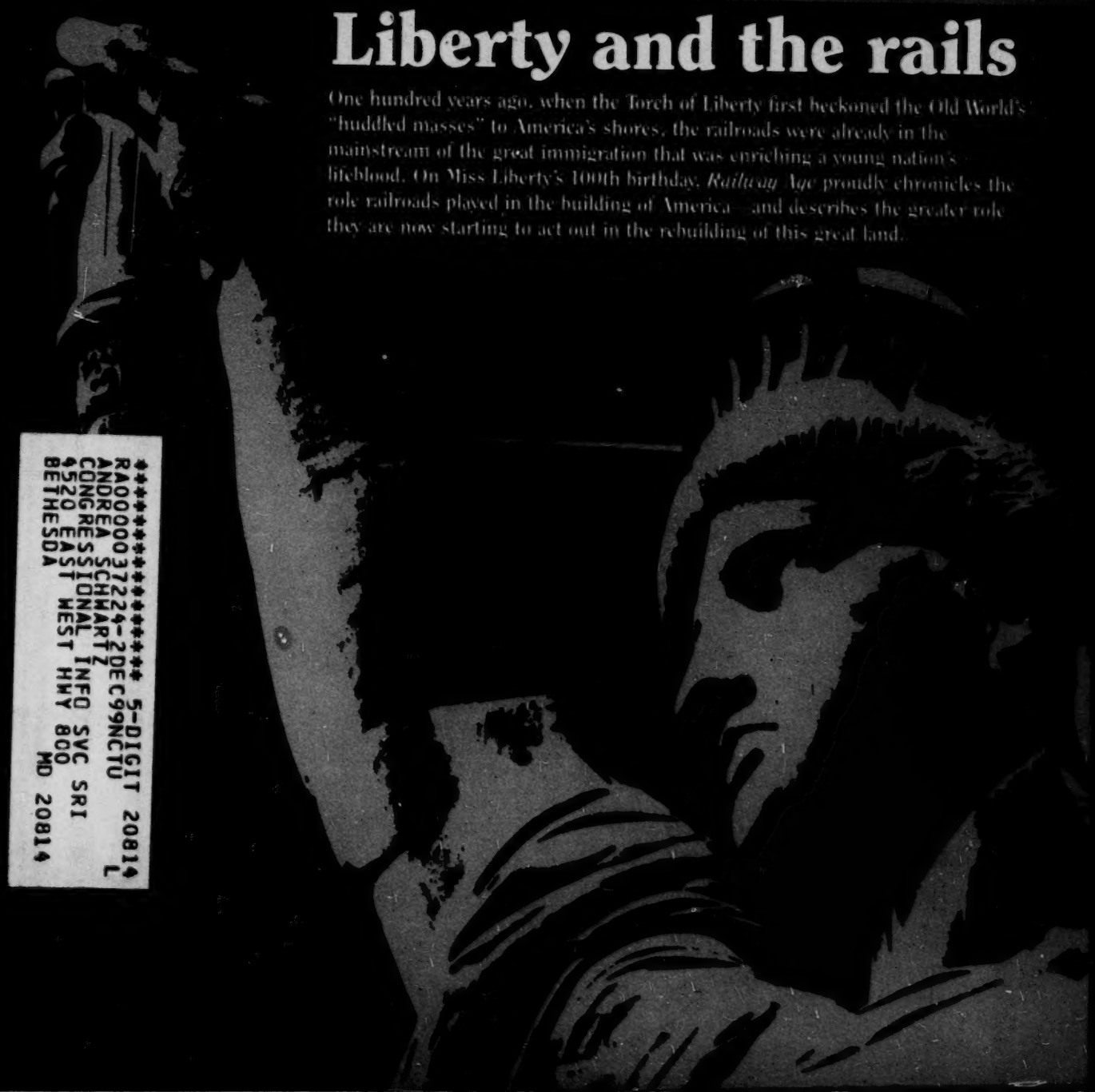
July 1986

Railway Age

...for the new age of railways

Liberty and the rails

One hundred years ago, when the Torch of Liberty first beckoned the Old World's "huddled masses" to America's shores, the railroads were already in the mainstream of the great immigration that was enriching a young nation's lifeblood. On Miss Liberty's 100th birthday, *Railway Age* proudly chronicles the role railroads played in the building of America — and describes the greater role they are now starting to act out in the rebuilding of this great land.



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ANDREA SCHWARTZ
CONGRESSIONAL INFO SVC SRI
4520 EAST WEST HWY 800
BETHESDA MD 20814

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Special report

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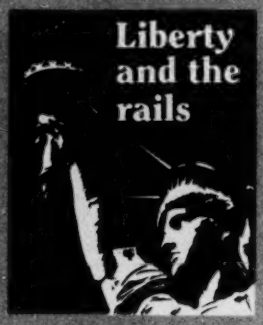

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Published monthly by the Simmons-Boardman Publishing Corporation, 345 Hudson St., New York, N.Y. 10014 USPS 449-130, Vol. 187, No. 7

Subscription rates to all railroad, rail rapid transit employees and industrial traffic department employees in the U.S. possessions, Canada and Mexico: $12 one year, $22 two years; all other countries $35 one year. All other subscriptions in the U.S., Canada and Mexico: $30 one year; all other countries: $50 one year. All subscriptions payable in advance. Single copies $3 plus postage and handling, except special issues. Call toll free (800) 228-9670 Mon-Fri., 9a.m.-5p.m. to place order. In Nebraska call (402) 346-4300. Copyrighted © 1986.

Address all subscriptions, change of address and correspondence concerning them to Subscription Dept., Railway Age, 345 Hudson St., New York, N.Y. 10014.

Printed at Hughes Printing Co., 34 North Crystal St., East Stroudsburg, PA. 18301. Second Class postage paid by Simmons-Boardman Publishing Corp., 345 Hudson St., New York, NY 10014 ISSN 0033-8826. POSTMASTER—SEND change of address forms to Simmons-Boardman, 345 Hudson St., New York, N.Y. 10014.

Market Outlook

Equipment

Massachusetts Bay Transportation Authority: A contract has been awarded to GSI Engineering's licensee, Buckeye Steel Castings, for 33 car sets of GSI trucks to be installed on commuter cars being built for MBTA by Messerschmitt-Bolkow-Blohm, a West German firm. Similar trucks were ordered for 34 cars contracted by MBTA to MBB in 1985.

Facilities

CP Rail: Awarded a contract to Pacific Northern Rail Contractors of Langley, B. C., for the installation of 10 miles of track as part of CP's $600-million (Canadian) Rogers Pass double tracking and grade reduction project. The contract calls for insertion of 20,300 concrete and 5,900 wood ties.

CSX Transportation: Has completed the first phase of a $41-million improvement project at Corbin, Ky. A new diesel servicing facility can fuel, sand and lubricate up to eight locomotives at one time. A new diesel enginehouse is equipped with overhead cranes and access ramps to provide light repairs and scheduled maintenance for approximately 350 units to be assigned to Corbin. The second phase of the project, which is to be completed by the end of 1986, calls for construction of ten tracks to service unit coal train cars.

PATH: Awarded a $6.1-million contract to Kaiser Engineers for the first phase of reconstruction of the Exchange Place Station in Jersey City. Kaiser has been supplying pre-construction services under a prior conract. PATH also awarded a $2,087,000 contract to Prismatic Development Corp. for construction of a tunnel ventilation building in Jersey City.

Port of San Francisco: Awarded a $3-million conract to Stacey & Wilbeck, West Bay & Nationwide of San Francisco for installation of track, paving, lighting facilities and utilities at a 36-acre dock-side container yard scheduled to open Nov. 1.

Union Pacific: Ordered 2,100 Dowty retarder units for use in arrestor zones at its North Little Rock Yard. The order followed successful tests of 41 retarders installed in October 1984. The production order is to provide end of yard protection to prevent run outs.

Revenue freight carloadings

Commodity	June 7 week	May 31 week	May 24 week	May 17 week
Grain	18,440	16,930	19,786	18,434
Other farm products	4,435	3,800	4,042	4,006
Metallic ores	19,294	18,136	19,959	19,364
Coal	116,661	94,478	110,432	110,426
Crushed stone, gravel and sand	14,505	12,144	15,205	15,132
Nonmetallic minerals	9,814	9,035	9,005	9,880
Grain mill products	10,624	9,184	10,545	10,399
Food and kindred products	11,108	9,580	11,211	10,996
Primary forest products	10,343	9,113	10,467	10,073
Lumber and wood products except furniture	7,754	7,450	8,386	8,066
Pulp, paper and allied products	13,213	12,327	12,768	13,127
Chemicals and allied products	23,649	22,269	25,184	24,548
Petroleum products	4,805	4,384	4,885	4,833
Stone, clay and glass products	10,941	9,314	10,721	10,756
Coke	4,520	3,825	4,439	4,763
Metals and products	8,727	8,833	8,971	8,592
Motor vehicles and equipment	22,190	18,602	21,917	21,884
Waste and scrap materials	8,077	7,305	8,664	8,394
Forwarder and shipper assn. traffic	3,095	2,565	2,993	2,854
All other carloads	66,488	59,591	75,186	74,088
LCL traffic	94	90	90	104
Total Cars Loaded	**388,777**	**338,955**	**394,856**	**390,719**
% change from previous year	(1.7)	(2.9)	0.2	(0.1)
Estimated revenue ton-miles (billions)	17.2	15.3	17.7	17.5
% change from previous year	(2.9)	(2.2)	1.5	1.7

Total:	**1986**	**1585**	**% change**
23 weeks	389.3	390.2	(0.2)

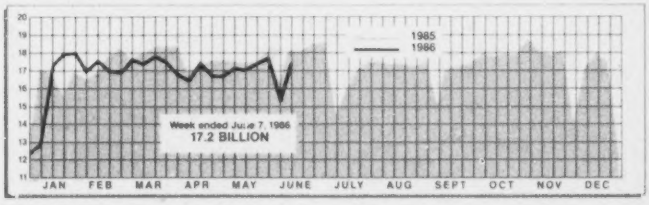
Piggyback loadings

	May 31 week	May 24 week	May 17 week	May 10 week
Trailers/containers	86,982	99,913	100,102	101,278

Cumulative total, 22 weeks		**% change from 1985**
Trailers/containers	2,154,812	16.7

Rail freight traffic trends

Billion ton-miles (Estimated)



Source: Association of American Railroads

Freight cars

	DELIVERED May 1986	DELIVERED 5 months 1986	DELIVERED 5 months 1985	ORDERED May 1986	ORDERED 5 months 1986	ORDERED 5 months 1985	ON ORDER AND UNDELIVERED June 1, 1986	Average Backlog 1986	Average Backlog 1985
Built new by carbuilders	827	2,995	4,460	955	5,982	4,015	4,746	3,450	4,199
Built new in RR shops	0	0	406	0	0	0	0	0	56
Built new—total	**827**	**2,995**	**4,866**	**955**	**5,982**	**4,015**	**4,746**	**3,450**	**4,255**
Rebuilt	0	50	0	0	50	0	0	10	0
TOTAL	**827**	**3,045**	**4,866**	**955**	**6,032**	**4,015**	**4,746**	**3,460**	**4,255**
Locomotives (new and rebuilt)	44	178	193	N/A	N/A	N/A	156	183	262

Source: Transportation Div., AAR and American Railway Car Institute

REVENUES AND EXPENSES OF RAILWAYS

First quarter figures of calendar year 1986

(Dollar figures are stated in thousands, i.e., with last three digits omitted)

		Operating revenues				Operating expenses													
						Way & structures			Equipment										
		Freight	Other	Total 1986	Total 1985	Total 1986	Total 1985	1986 Deprec.	Total 1986	Total 1985	1986 Deprec.	Total 1986	Total 1985	Operating Ratio 1986	Operating Ratio 1985	Income after fixed charges 1986	Income after fixed charges 1985	1986 Net Ry. operating income	Net income 1986	Net income 1985
Amtrak	3 mos.	—	194,184	194,184	175,544	52,687	62,658	16,501	93,166	98,771	21,056	385,168	407,148	198.35	231.93	(166,144)	(225,399)	(190,984)	(166,144)	(255,399)
Atchison, Topeka & Santa Fe	3 mos.	497,757	11,349	509,106	549,104	86,112	91,542	16,277	119,720	130,711	23,482	475,211	524,364	93.34	95.49	27,569	34,293	25,899	19,340	27,569
Baltimore & Ohio	3 mos.	N/A							N/A							N/A				
Boston & Maine	3 mos.	23,079	991	24,070	28,796	3,700	4,156	442	8,734	8,999	80	25,197	28,562	104.68	99.18	(185)	917	(1,053)	(185)	917
Burlington Northern	3 mos.	944,409	22,694	967,103	1,055,596	156,760	172,156	44,253	168,968	187,681	17,309	825,440	861,847	85.35	81.64	136,365	199,042	83,525	76,221	118,703
Chesapeake & Ohio	3 mos.	N/A							N/A							N/A				
Chicago & North Western	3 mos.	186,853	25,911	212,764	204,634	39,564	40,265	6,663	49,023	49,104	3,468	202,933	207,296	95.37	101.30	3,529	(14,885)	10,154	3,779	(12,910)
Conrail	3 mos.	734,268	26,483	760,751	788,672	126,300	130,396	24,980	176,981	186,698	35,176	714,196	742,988	93.88	94.20	59,782	54,673	31,310	59,782	54,673
Delaware & Hudson	3 mos.	24,917	457	25,374	26,300	5,246	4,979	364	8,512	8,456	135	26,335	29,295	103.78	111.38	(1,742)	(3,432)	(946)	(1,742)	(3,432)
Denver & Rio Grande Western	3 mos.	74,363	1,366	75,729	85,018	12,154	14,127	3,462	14,746	15,660	3,326	66,256	76,907	87.49	90.45	8,472	9,312	6,063	4,921	5,995
Elgin, Joliet & Eastern	3 mos.	13,912	6,851	20,763	20,707	3,469	3,071	599	3,615	3,257	1,921	21,138	20,323	101.80	98.14	1,031	1,820	(736)	670	1,135
Florida East Coast	3 mos.	29,012	869	29,881	31,328	4,639	4,770	1,248	4,759	5,562	1,251	22,777	22,734	76.22	72.56	9,028	11,771	2,683	4,607	6,538
Grand Trunk Western	3 mos.	79,596	3,497	83,093	88,802	10,443	10,569	1,720	19,905	17,167	1,626	89,778	87,237	108.04	98.23	(6,477)	306	(5,532)	(5,541)	1,374
Illinois Central Gulf	3 mos.	181,933	19,828	201,761	241,860	26,257	31,877	10,441	51,979	71,556	4,472	170,307	230,021	84.41	95.10	25,654	4,864	2,388	17,515	3,525
Kansas City Southern	3 mos.	77,410	75,529	81,194	79,024	12,847	11,115	4,021	15,767	18,319	5,086	66,067	69,718	81.36	88.22	14,158	7,326	10,087	9,034	4,293
Missouri-Kansas-Texas	3 mos.	58,508	2,905	61,413	65,692	10,401	12,459	2,938	14,199	16,120	1,916	58,697	63,109	95.57	96.06	1,220	(98)	2,979	1,220	(5,898)
Missouri Pacific	3 mos.	410,037	13,356	423,393	442,676	59,777	64,900	13,636	101,143	103,154	19,537	374,097	403,755	88.35	91.20	29,178	27,188	43,116	20,609	27,627
Norfolk & Western	3 mos.	402,738	16,100	418,838	426,479	55,964	61,884	12,341	87,116	87,392	13,263	340,173	351,456	81.21	82.40	90,784	93,495	40,980	52,515	55,966
St. Louis Southwestern	3 mos.	84,524	1,401	85,925	100,405	12,517	14,920	4,863	20,963	27,684	5,232	81,737	97,485	95.12	97.09	5,855	4,401	2,439	4,106	2,733
Seaboard	3 mos.	N/A							N/A							N/A				
Soo Line	3 mos.	152,264	4,296	156,560	119,391	29,941	20,987	7,188	34,230	28,497	3,331	152,883	112,961	97.65	94.61	947	2,696	3,532	373	1,771
Southern	3 mos.	425,400	9,949	435,349	433,117	59,088	62,083	18,042	89,024	94,022	18,333	347,281	361,240	79.77	83.40	85,285	74,169	56,268	52,135	43,108
Southern Pacific	3 mos.	452,503	17,551	470,054	520,630	72,121	77,234	24,350	135,103	153,108	20,452	533,226	547,975	113.43	105.25	(34,601)	(28,229)	(59,964)	(31,792)	(26,411)
Union Pacific	3 mos.	470,683	4,911	475,594	486,777	70,083	72,233	18,301	97,894	104,552	21,924	401,424	436,185	84.40	89.60	88,120	56,645	40,720	54,629	35,965
Western Pacific	3 mos.	40,433	508	40,941	33,055	5,600	6,053	1,470	8,551	7,688	1,036	38,472	37,992	93.96	114.93	3,388	(3,458)	1,781	2,700	(406)

Source: Interstate Commerce Commission